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3-1938

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Recommended Citation

State College, Extension Service, "How The 1938 Agricultural Conservation Program Applies to South Dakota Farms" (1938). *Extension Circulars*. Paper 373.

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How The 1938 Agricultural Conservation Program Applies To South Dakota Farms

Objectives Of The 1938 Agricultural Conservation Program—The Agricultural Adjustment Act of 1938 authorizes features of the 1938 program which are designed to stabilize and improve the income of farmers. Farm incomes in South Dakota are adversely affected both by years of excessive production and years of short crops. This year's program provides for: (1) soil conservation and the prevention of erosion by wind and water; (2) national acreage allotments to provide for the domestic and export demands of food and fiber plus adequate reserves for carry-over; (3) storage of reserves on the farm by means of commodity loans, if production is greater than the market requires, at a fair price for use in years of short crops; (4) marketing quotas for wheat and corn in years when production is in excess of domestic and foreign demand plus an adequate carry-over if favored by two-thirds of the producers of such crops; and (5) crop insurance against failure of wheat in 1939.

How South Dakota Farmers Can Comply With The Program—Any farmer in South Dakota will be eligible to receive his share of the total farm allowance established on his farm if he: (1) does not plant more acres of soil-depleting crops than his total soil-depleting acreage allotment; (2) does not exceed his corn acreage allotment and plants at least 80 per cent of such allotment in commercial corn counties¹; (3) plants at least 80 per cent of his wheat acreage allotment (the wheat acreage allotment may be exceeded without penalty if the total soil-depleting acreage allotment is not exceeded); and (4) carries out soil-building practice units equal to the soil-building goal.²

Wheat and Corn Loans—Wheat loans will be made to farmers in any marketing year in which the farm price of wheat on June 15 is below 52 per cent of parity price, or the supply of wheat is in excess of a normal year's domestic consumption and export demand. The loan rate per bushel is to be between 52 and 75 per cent of parity depending upon the supply of wheat. These loans will be made to producers who have complied with the agricultural conservation program only. If the supply of wheat is large enough to require the Secretary of Agriculture to call a marketing quota referendum, and if two-thirds of the wheat farmers voting favor marketing quotas, loans will be available to farmers who have complied with the program on any amount of their wheat on which they desire a loan. Non-cooperators who have not complied with the program will be eligible to loans only on the wheat which can not be marketed without a penalty and at a rate per bushel which is 60 per cent of the

1. The commercial corn counties in which corn acreage allotments will be established are: Bon Homme, Brookings, Charles Mix, Clay, Davison, Douglas, Hanson, Hutchinson, Kingsbury, Lake, Lincoln, McCook, Minnehaha, Moody, Turner, Union, and Yankton.

2. Farms in Brookings, Butte, Codington, Deuel, Hamlin, and Minnehaha counties on which three acres or more of potatoes are customarily planted for market will have potato acreage allotments which can not be exceeded without penalty. Farms in these counties on which potato acreage allotments are not established can not grow more than three acres of potatoes without a penalty.

rate allowed cooperators. If wheat marketing quotas are rejected in a referendum, wheat loans will not be available to anyone. There can be no wheat marketing quotas in 1938 without further legislation by May, 15, 1938.

Loans will be made on corn in any marketing year in which the supply of corn is greater than a normal year's domestic consumption and export demands; or the farm price of corn on November 15 is below 75 per cent of parity price. Loans may be made to farmers who have complied with the agricultural conservation program in both commercial corn counties and in counties in which corn acreage allotments are not established, however, the loan rate per bushel in the non-commercial corn counties will be 75 per cent of the rate in the commercial corn area. Loans will not be made to non-cooperators in either area. The loan rate per bushel will be 52 to 75 per cent of parity depending upon the supply of corn.

In the event that corn marketing quotas are approved by two-thirds of the producers voting in the commercial corn area, loans would be available to cooperators in commercial corn counties at the full loan rate per bushel, and farmers in the non-commercial corn counties could secure loans equal to 75 per cent of the rate for the commercial corn area. Non-cooperators in the commercial area would be eligible to loans only on corn which could not be marketed without a penalty and at a rate per bushel equal to 60 per cent of the cooperator rate. Farmers who had complied with the agricultural conservation program in the non-commercial area could secure a loan equal to 75 per cent of the rate for commercial county cooperators, but farmers who had not complied in the non-commercial corn counties would not be eligible to a loan.

Marketing Quotas—The new farm act provides that if the supply of corn in any marketing year exceeds 110 per cent of a normal year's domestic consumption and export demands (a total of about 2,800,000,000 bushels), the Secretary of Agriculture must call a corn marketing quota referendum in which all corn producers in the commercial corn area will be eligible to vote. If two-thirds of the farmers voting favor marketing quotas, then all farms which normally produce 300 bushels or more of corn shall be subject to such marketing quotas. Corn to the extent of the marketing quota can be fed or marketed, but all corn in excess of the marketing quota must be stored until it is released. Corn in excess of the marketing quota which is marketed or fed is subject to a penalty of 15 cents per bushel.

The Secretary of Agriculture is required to call a wheat referendum when the supply is more than 135 per cent of a year's normal domestic consumption and export demand (a total of about 950 million bushels). If wheat marketing quotas are approved by two-thirds of the wheat producers voting, provisions for marketing, and penalties for marketing in excess of the quota similar to those of corn become effective. Farmers who normally produce less than 100 bushels of wheat would not be subject to marketing quotas. The act provides that wheat marketing quotas will not apply in 1938 unless additional legislation is enacted by May 15, 1938.

How The Farm Allowance is Computed—The total allowance is made up of the sum of the amounts established by the soil-depleting acreage allotments, restoration land goal, and soil-building practices as follows:

Soil-Depleting Acreage Allotments Allowance for a farm is the sum of: (1) Corn acreage allotment multiplied by the normal corn yield per acre for the farm times 10 cents per bushel (for commercial corn counties only); (2) Wheat acreage allotment multiplied by the normal wheat yield

for the farm times 12 cents per bushel; (3) the acreage planted to potatoes not in excess of the potato acreage allotments multiplied by the normal potato yield per acre for the farm times 3 cents per bushel (for commercial farms in potato counties only); and (4) General acreage allotment (total soil-depleting acreage allotment minus the sum of the special crop acreage allotments and land planted to sugar beets) multiplied by the farm rate¹ per acre.

Restoration Land Goal Allowance is the restoration land goal² for the farm multiplied by 50 cents.

Soil-Building Allowance is the sum of: (1) The difference between the total cropland on the farm and the total soil-depleting acreage allotment multiplied by 50 cents; (2) Two cents for each acre of noncrop open pasture land; and (3) \$1 for each animal unit of grazing capacity for such open pasture land (on 12 month basis).

The Soil-Building Goal is expressed in units. Such a goal for any farm is equal to two-thirds of the dollars computed according to the above paragraph.

Approved Soil-Building Practices—The soil-building goal may be met by carrying out soil-building practice units enough to equal the units in the goal for the farm. The following are a few of the most applicable practices for South Dakota:

Each acre of the following shall be counted as one practice unit: Seeding biennial legumes, perennial legumes, perennial grasses, or mixtures of such legumes or grasses in soil-depleting crops, non-depleting crops, or any place on the farm.

Each acre of the following shall be counted as two practice units: Cultivating, protecting, and maintaining a stand of shelterbelt trees planted between January 1, 1934, and January 1, 1938.

Each acre of the following shall be counted as five units: Planting farm shelterbelts according to good tree culture practice.

Each ten pounds of adapted pasture grasses or legumes seeded on depleted pastures shall be counted as one unit.

Each four acres of the following shall be counted as one unit: (1) Strip cropping of intertilled and close drilled crops; (2) protected summer fallow in the wind erosion area; and (3) contour furrowing on non-crop open pasture land.

The nongrazing, during the normal pasture season, of an acreage of noncrop open pasture land equal to one-half the number of acres required to carry one animal unit shall be counted as one unit.

Size and Division of Payments—Payments to individuals of less than \$200 will be increased by specified amounts. The smaller the payment, the greater the increase. Payments for complying with acreage allotments will be divided between landlords and tenants in the same proportion as they share in the crops. Payment for soil-building practices will be divided according to the contributions made by the landlord and the tenant. Beginning with 1939, the act provides that no payment in excess of \$10,000 will be made to any individual.

1. The average rate per acre for South Dakota is 87½ cents per acre varied according to the productivity of the county and the productivity of the farm.

2. A payment of 50 cents per acre will be made on land designated as restoration land in all counties of South Dakota, except: Bon Homme, Brookings, Clay, Codington, Deuel, Grant, Hamlin, Hanson, Hutchinson, Lake, Lincoln, McCook, Miner, Minnehaha, Roberts, Turner, Union, and Yankton; Provided: it is land which has been cropped at least once since January 1, 1930, and because of its physical condition a permanent vegetation cover should be restored; and such land is not tilled in 1938 and there are carried out conservation measures specified by the county committee.

Crop Insurance on Wheat—Provisions have been made for crop insurance on the 1939 wheat crop. Farms may be insured for not less than 50 per cent nor more than 75 per cent of the average yield of wheat. Premium payments and crop losses may be made in actual wheat or its cash equivalent.

Land Use and Crop Classification—Provisions of the 1938 program classify only soil-depleting crops and land uses as shown in the table below. All crops and land uses not classified as soil-depleting are considered non-depleting.

Soil-Depleting when Planted for 1938 Harvest	Exceptions—(Non-Depleting)
Field corn, sweet corn, and popcorn.	None
Grain of sorghums.	None
Potatoes, sugar beets, truck crops, and vegetable crops.	None
Wheat planted between Aug. 1, 1937, and July 31, 1938.	Fall seeded wheat pastured or tilled before May 1, 1938, sufficiently to prevent grain formation.
Oats, barley, rye, flax, emmer, speltz, or mixture of such planted between Aug. 1, 1937, and July 31, 1938.	Fall seeded of such grains is pastured or tilled before May 1, 1938, sufficiently to prevent grain formation. When such crop is used as a green manure crop outside of the wind erosion area. When such crop is used for a nurse crop, cover crop, or pasture and not cut for grain or hay.
Sweet sorghums, Sudan grass, and millet harvested for grain, seed, sirup, or silage.	Any other use.
Soybeans when such crop is harvested or matures as grain or seed.	Any other use.
Unprotected summer fallow.	Protected summer fallow.

For Additional Information regarding individual acreage allotments, rates of payment, and detailed provisions of the 1938 Agricultural Conservation Program, see or write your county extension agent, county committee, or community committee.

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Published and distributed under Acts of Congress, May 8 and June 30, 1914, by the Agricultural Extension Service of the South Dakota State College of Agriculture and Mechanic Arts, Brookings, A. M. Eberle, director, U. S. Department of Agriculture cooperating.